

App. No. 10/605,536

**REMARKS - General**

The current invention is not a collection process like Pollin. It does not involve the collection of debt from merchants but is a process to facilitate the ease of check processing with a merchant. As to the Examiner's comments on Claim 21,

The Prior Art reference of Phillips (US 7,103,579) deals with online transactions and online purchases. The current invention can be performed at non-online merchants. Phillips also send the transactions to the Federal Clearing House while the current invention send them to private clearing house.

Pollin (US 6,041,315) does not disclose a consolidated bank as used in the current invention. Pollin is for the collection of debts owed to merchants while the current invention is for a unique processing of checks. It would not be, in the Applicant's opinion, obvious to apply the completely different concept offered in Phillips in view of Pollin to the concept of consolidated banks. As per the Examiner's comment Pollin functions "where the collection agency functions as a consolidated bank for collecting payment."

It is the Applicant's opinion that the Examiner believes this to be an electronic check guarantee--and it isn't. Once the customer writes the check, he gives it to the merchant--and the merchant never sees the check again.

The merchant deposits the check in his bank--just like normal--and he can consider it a CASH DEPOSIT--since he will never see the check again

If it's returned--it goes to the Consolidated Account which will pay the fed, and then attempt to ACH the amount from the checkwriter.

In other words--

1. Customer writes check and gives it to the merchant
2. If the check bounces, the system pays from the fed deducting it from its consolidated account-- The merchant doesn't even know it bounced.
3. The system will then attempt to collect from the checkwriter the amount of the check plus the state authorized fee.
4. Last important issue--The system does not work as a collection agency. It is a Check Guarantee company which is a big difference.

As to the Examiner's comment on Claim 38, which in and of itself goes towards the claim of novelty and non-obviousness of the current application. The current system does not give notice to the merchant of a returned check. This is a new and novel concept that is not disclosed in Phillips. This has been added specifically to the base claim.

Also, the Applicant has found great interest in this Invention in the financial field as potential users are finding this system to be novel and unique and something new in the field.

If the Examiner does not agree with this conclusion Applicant's Attorney requests a phone conference to discuss.

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**Conclusion**

For all of the above reasons, applicant submits that the specification and claims are now in proper form, and that the claims all define patentably over prior art. Therefore the applicant submits that this application is now in condition for allowance, which action is respectfully solicited.

Respectfully submitted,




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I hereby certify I have transmitted this paper by fax to the Patent and Trademark Office at 571-273-8300 on September 12, 2008.

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